PEPPER & CORAZZINI

VINCENT A PEPPER
ROBERT F. CORAZZINI
PETER GUTMANN
WILLIAM J. FRANKLIN
JOHN F. GARZIGLIA
TODD J. PARRIOTT
NEAL J. FRIEDMAN
ELLEN S. MANDELL
NOWARD J. BARR
LOUISE CYBULSKI #
JENNIFER L. RICHTER **

B NOT ADMITTED IN D.C.

ATTORNEYS AT LAW
200 MONTGOMERY BUILDING
1776 K STREET, NORTHWEST
WASHINGTON, D. C. 20006

(202) 296-0600

ROBERT LEWIS THOMPSON GREGG P. SKALL E-THEODORE MALLYCK OF COUNSEL

FREDERICK W. FORD

TELECOPIER (202) 296-5572

January 12, 1993

BY HAND

Ms. Donna R. Searcy Secretary Federal Communications Commission Washington, D.C. 20554

> RE: MM Docket 92-303 Kalispell, MT

Attn: Honorable John Frysiak

Dear Ms. Searcy:

Enclosed for filing in the referenced proceeding is an original and 6 copies of a Joint Request for Approval of Settlement Agreement filed by all of the parties to this proceeding. The Joint Request proposes the grant of our client Cloud Nine Broadcasting's application and the dismissal of the two competing applications.

Also enclosed is a Motion to Suspend Procedural Dates. The latter Motion expressly excludes the information required to be filed with you by January 22, 1993 pursuant to ¶ 11 of the HDO. In fact, Cloud Nine Broadcasting, Inc. contemplates that it will file with you the foregoing information several days prior to the January 22, 1993 deadline established in the HDO.

Sincerely

Robert Lewis Thompson

Enclosures

cc: Counsel of Record

Hon. John Frysiak (Room 223)

No. of Copies rec'd_ List A B C D E

ORIGINAL

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In re Application of) MM Docket No. 92-303		
CLOUD NINE BROADCASTING, INC.) BPH-910926MI		
et al.	RECEIVED		
For New FM Station Kalispell, MT	JAN 1 2 19931		
To: Hon. John M. Frysiak Administrative Law Judge	FEDERAL COMMUNICATIONS COMMISSION		

JOINT REQUEST FOR APPROVAL OF SETTLEMENT AGREEMEN

Pursuant to 47 CFR §73.3525, Cloud Nine Broadcasting, Inc. ("CNB"), Tom Seabase and Skyline Broadcasters, Inc. ("SBI") hereby jointly request that the Presiding Judge simultaneously (a) approve the settlement agreement submitted herewith, (b) dismiss the Seabase and SBI applications and (c) grant CNB's application.

- The applications of CNB, Seabase and SBI are mutually exclusive and were designated for hearing in MM Docket No. 92-303 in a Hearing Designation Order, DA 92-1568, released December 23, 1992 ("HDO").
- CNB, Seabase and SBI have entered into a settlement agreement whereby Seabase and SBI are to dismiss their applications with prejudice in exchange for compensation to be paid by Submitted herewith is that executed Settlement Agreement. Upon implementation of the settlement, the mutual exclusivity between the applications would be resolved, with the intention

that CNB's application would be granted without recourse to a comparative hearing and appeals therefrom.

- 3. Also submitted herewith are the declarations of the parties as required by §73.3525 of the Commission's rules. These declarations demonstrate that the settlement agreement would serve the public interest, insofar as it would conserve the resources of the Commission and the parties and also would facilitate the commencement of a first local FM broadcast service at Kalispell, Montana. The declarations further demonstrate that none of the applications was filed for the purpose of reaching or carrying out the instant settlement. It is further noted that all of the captioned applications propose a facility to be licensed to Kalispell, Montana, and therefore, the provisions of §73.3525(b) of the Commission's rules with respect to §307(b) of the Communications Act of 1934, as amended, do not apply.
- 4. In further support of this request, it is respectfully noted that the Commission, in its <u>HDO</u>, <u>supra</u>, found CNB to be fully qualified to construct and operate its proposed facility. 1/
- 5. The declarations also demonstrate that none of the dismissing applicants will receive consideration in excess of the legitimate and prudent expenses of the applicant.
- 6. In view of the foregoing, the parties respectfully submit that they have satisfied the requirements of §73.3525 of

The information required by ¶ 11 of the \underline{HDO} will be timely filed with the Presiding Judge on or before January 22, 1993.

the Commission's rules that the Settlement Agreement is in the public interest and that it should be approved.

Respectfully submitted,

CLOUD NINE BROADCASTING, INC.

У

Robert Lewis Thompson PEPPER & CORAZZINI

1776 K Street, N.W.

Suite 200

Washington, D.C. 20554

Its Attorney

TOM SEABASE

Bv

Richard Swift, Esq.

TIERNEY & SWIFT

1200 18th Street, N.W.

Suite 210

Washington, D.C. 20036

His Attorney

SKYLINE BROADCASTERS, INC.

John J. Mc

McVeigh (

WAYLAND, COOPER &

LEADER

1255 23rd Street, N.W.

Suite 800

Washington, D.C. 20037

Its Attorney

January 12, 1993

SETTLEMENT AGREEMENT

This agreement is made this 11th day of January, 1993, by and between Cloud Nine Broadcasting, Inc. ("CNB"), Tom Seabase and Skyline Broadcasters, Inc. ("SBI").

WITNESSETH:

WHEREAS, CNB has an application pending before the Federal Communications Commission ("Commission") requesting authority to construct and operate a new FM station on Channel 292A at Kalispell, Montana (File No. BPH-910926MI); and

WHEREAS, Seabase and SBI also have applications pending before the Commission for authority to construct similar mutually exclusive facilities (File Nos. BPH-910926MB and BPH-910925MD, respectively); and

WHEREAS, Seabase and SBI desire to dismiss their applications with prejudice so as to remove the conflict between their applications and CNB's application and, thereby, facilitate a grant of the construction permit to CNB (hereinafter "Grant"); and

WHEREAS, CNB desires to compensate both Seabase and SBI for the dismissal with prejudice of their respective applications; and

whereas, the settlement of this proceeding will obviate the expense, delay, and commitment of the resources of both the Commission and the applicants otherwise necessary to resolve the pending applications through the comparative hearing process and will expedite a new FM broadcast service to the residents of Kalispell, Montana; and

WHEREAS, the obligations of the parties hereunder are subject to the conditions set forth herein and to prior approval of the Commission; NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

- 1. Seabase and SBI each agrees to petition the Commission for dismissal with prejudice of its respective application, conditioned only upon Commission approval of the terms and conditions contained in this Agreement.
- 2. CNB agrees to pay Seabase the sum of \$25,000 (twenty-five thousand dollars) within twenty (20) days after a Grant (hereinafter "Closing Date").
- 3. CNB agrees to pay SBI the sum of \$21,000 (twenty-one thousand dollars) on the Closing Date. CNB further agrees, for a period of 12 months following the commencement of program tests, to give SBI a right of first refusal to purchase the permit/license for channel 292A at Kalispell, Montana.
- 4. The parties shall file this Agreement with the Commission no later than January 12, 1993, together with a joint request for approval of all of the relief set forth in paragraphs 1-3 hereof, and shall append thereto properly executed declarations from Seabase and SBI substantiating that neither Seabase nor SBI proposes to receive compensation in excess of its necessary and prudent expenditures incurred in the prosecution of its application.
- 5. Within five business days following the execution of this Agreement, CNB shall deposit in an escrow account to be established and maintained by counsel for CNB (hereinafter "Escrow Account") no less than one-half of the total settlement monies described in paragraphs 2 and 3, supra. Proof of compliance with this escrow deposit shall be given within two business days thereafter by

counsel for CNB to the ALJ and counsel for both Seabase and SBI, respectively. Likewise, within five business days following the release of the Order described in paragraph 6 infra, CNB shall deposit the balance of the settlement monies in said Escrow Account. Proof of compliance with this subsequent escrow deposit shall be given by counsel for CNB within two business days thereafter to the ALJ and to counsel for both Seabase and SBI, respectively. On the Closing Date, the total settlement monies described in paragraphs 2 and 3, supra, shall be paid out of the escrowed funds to Seabase and SBI, respectively. As escrow agent, counsel for CNB shall be obligated to deposit and maintain the escrowed funds in a federally insured account. The parties agree that if CNB fails to fund the Escrow Account in accordance with the foregoing, Seabase and/or SBI may terminate this Agreement, withdraw from the Joint Request and continue to prosecute its/their application(s).

- 6. This Agreement is entered into subject to approval by the Commission in a single order, simultaneously granting CNB's application and dismissing the applications of Seabase and SBI (herein "Order"), that is no longer subject to administrative or judicial review. Should the Commission decline to approve any provision of this Agreement, the parties agree to proceed expeditiously and in good faith to resolve any Commission objections so as to secure prompt approval of an agreement that most nearly reflects the original intentions of the parties as reflected herein.
- 7. Each party hereto agrees to cooperate with each other and with the Commission by expeditiously providing each other or the

Commission, or both, with any additional information that may be reasonably required and by expeditiously filing any additional documents that may be necessary or appropriate to comply with the Commission's rules or to effectuate the objectives of this Agreement. Each party agrees that it will not oppose or otherwise impede the FCC's approval of (a) any amendment that may be filed by CNB to its pending application (see, e.g., HDO at ¶¶ 3-4) or (b) any "upgrade" or other application concerning this facility that CNB may file within seven (7) years of Closing Date with the FCC. Likewise, CNB agrees that it will not oppose or otherwise impede the FCC's approval of any FCC application filed within seven (7) years of Closing Date by SBI for a new or improved broadcast service at Kalispell, Montana.

- 8. This Agreement is the only agreement among the parties hereto with respect to this proceeding and contains all of the terms and conditions agreed upon with respect to the subject matter hereof. It shall be binding upon the parties hereto, their successors and assigns.
- 9. Each signatory to this Agreement warrants and represents that it has full authority to bind the party for whom it is signing. Each party represents that it has full legal authority to enter into, execute, and carry out the terms of this Agreement.
- 10. This Agreement may be terminated upon written notice to each other party upon material breach hereof by the other.
- 11. Any notice permitted hereunder shall be written and shall be deemed given when delivered personally, or mailed by certified mail, postage pre-paid, return receipt requested, to each of the following or their respective designees:

To CNB:

Benny Bee, Jr.

Box 880

Whitefish, MT 59937

W/Copy to:

Robert Lewis Thompson, Esq.

Pepper & Corazzini 1776 K Street, N.W.

Suite 200

Washington, D.C. 20006

To Seabase:

Tom Seabase

P.O. Box 1407

Polson, MT 59860

W/Copy to:

Richard F. Swift, Esquire

Tierney & Swift

1200 18th Street, N.W.

Suite 210

Washington, D.C. 20036

To SBI:

Ambrose Measure

1400 4th Street West Kalispell, MT 59901

W/Copy to:

John J. McVeigh, Esquire

Fisher, Wayland, Cooper & Leader

1255 23rd Street, N.W.

Suite 800

Washington, D.C. 20037

- 12. This Agreement may be executed in counterparts, all of which together, so executed, shall constitute one and the same instrument.
- 13. This Agreement shall be construed under the laws of the State of Montana.

IN WITHESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

By Benny Ree, Jr.
Vice President and Secretary

Tom Seabase

BY Tom Seabase

BKYLINE BROADCASTERS, INC.

Ambrose Measure

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

CLOUD NINE BROADCASTING, INC.
By Benny Bee, Jr. Vice President and Secretar
TOM SEABASE
By Tom Seabase
SKYLINE BROADCASTERS, INC.
Ву

IN WITHERS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

CLOUD MIME BROADCASTING, INC.

Benny Bee, Jr. Vice President and Secretary

TON SEABLES

Ton Seabase

SKYLING RROADCASTERS, INC.

DECLARATION

- 1. My name is Benny L. Bee, Jr. and I am vice president of Cloud Nine Broadcasting, Inc., an applicant in MM Docket 92-303.
- 2. Neither Cloud Nine Broadcasting, Inc. ("CNB") nor either of its two shareholders has paid, promised to pay or has received any consideration, direct or indirect, with respect to the dismissal of the applications of Tom Seabase or Skyline Broadcasters, Inc. other than that compensation described in the Settlement Agreement dated January 11, 1993, among the three parties to this FCC proceeding. No other agreement exists among the parties to this proceeding regarding the dismissals of CNB's competing applications.
- 3. CNB's application was not filed for the purpose of reaching or carrying out a settlement agreement.
- 4. The public interest will be served by a grant of the Settlement Agraement because it will: conserve the limited resources of the FCC; result in the more expeditious commencement of a new FM service to Kalispell, Montana; and avoid the need for a comparative hearing among the parties.
- 5. Neither of the dismissing applicants or its principals has received any consideration in excess of its legitimate and prudent expenses in this proceeding.

I declare and certify under penalty of perjury that the foregoing is true and correct. Executed on January 12, 1993.

Benny L. Bee, Jr

Vice President

Cloyd Nine Broadcasting, Inc.

DECLARATION

- I, Tom Seabase, hereby declare under penalty of perjury that the following is true and correct:
- 1. Other than the consideration described in the Settlement Agreement between Cloud Nine Broadcasting, Inc. and myself, I have not been paid or promised any money or other consideration of any kind in connection with the dismissal of my application for a new FM broadcast station at Kalispell, Montana.
- 2. My application was not filed for the purpose of reaching or implementing a settlement agreement.
- 3. The proposed settlement is in the public interest because it will bring about a more rapid resolution of the Kalispell comparative hearing, save the resources of the F.C.C. and the parties, and facilitate the expeditious establishment of a new radio service at Kalispell, Montana.
- 4. The nature of the consideration to be paid me is a check in the amount of \$25,000.00 for the reimbursement of my legitimate and prudent expenses incurred in connection with the preparation and prosecution of my application for a new FM station at Kalispell.
- 5. An itemized accounting of my legitimate and prudent expenses for which I seek reimbursement is as follows:

FCC Application Filing Fee

\$ 2,030.00

FCC Hearing Fee

6,760.00

Tierney & Swift (see attached itemized statement)	10,119.77
Lease Agreement Antenna Site	250.00
W. Lee Simmons and Associates, Inc. (engineering fees)	5,850.00
Bill Brady (broadcast consultant)	1,000.00
Travel expense - Round trips by car: Polson to/from Kalispell, Montana (1200 miles at .25)	300.00
Additional charges for out-of- pocket expenses, including telephone, facsimile, postage, overnight delivery, photocopying, and publication notices.	286.88
TOTAL	\$26,596.65

6. No other oral or ancillary agreement exists with respect to the dismissal of my application.

Tom Conbago

Date: 1/11/93

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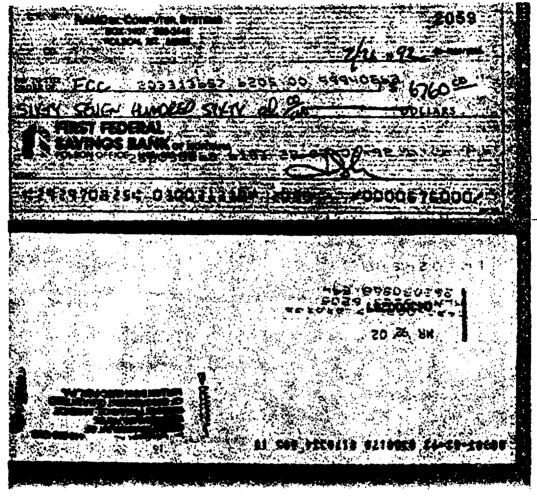
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LAW OFFICES

TIERNEY & SWIFT

SUITE 210

1200 EIGHTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE (202) 293-7979 FACSIMILE

JOHN L. TIERNEY RICHARD F. SWIFT

January, 1993

Re: Tom Seabase

Attorney fees relative to application for a new FM radio station at Kalispell, Montana

\$ 9,760.00

Telephone calls with client, review of application; preparation of comparative analysis of competing applicants; related FCC research; preparation of two amendments; preparation of petition for leave to amend; review of amendments filed by Seabase's opponents; conferences with client; work re status of application; work re designation for hearing, production of documents and notice of appearance; calls and office work re settlement; negotiations re settlement; preparation of declaration, related research; review and revision of settlement documents

Disbursements

359.77

Postage, photocopying, telecopying, overnight delivery, long distance telephone calls.

Total Fees and Disbursements

\$10,119,77

LEASE AGREEMENT ANTENNAE SITE

I. and Column agree to lease the antennae site located at 3.9km southwest of the center of Kalispell at the Lone Pine Communication site at the northwest end of Lone Pine ridge for the sum of \$250/month to Tom Seabase.

This Lease Agreement is contingent upon the approval of the application.

This location will remain available until the approval of the license, at which time, a binding lease agreement will be entered into.

The Leasee understands and agrees to the term and conditions stated above.

Dated this 19 day of Jeph. 1991.

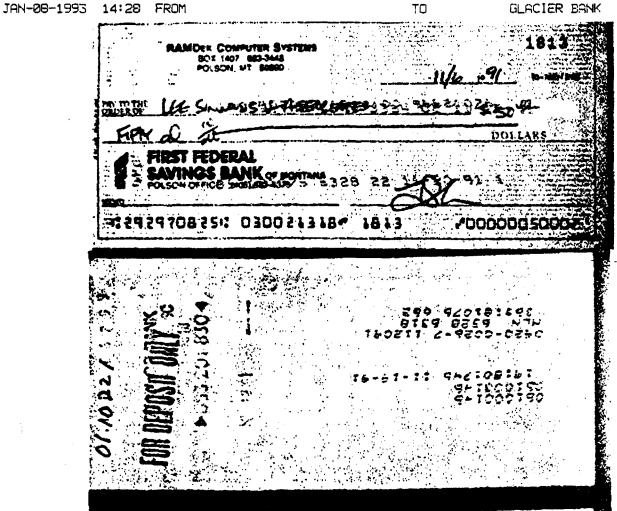
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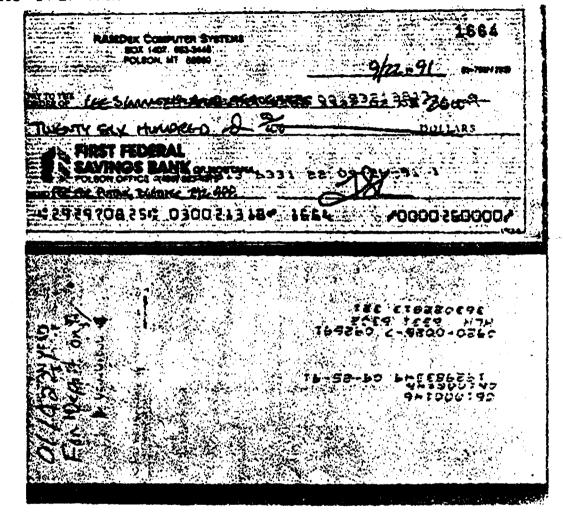
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7/16/91 7/16/91	BILL BRADY, CONSULTING	\$0.70
7/19/91	BILL BRADY, CONSULTING	\$0.30
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7/19/91	WASHINGTON D.C.	\$0.49
7/29/91	BILL BRADY, CONSULTING	\$3.70
7/30/91	BILL BRADY, CONSULTING	\$0.30
8/1/91	BILL BRADY, CONSULTING	\$0.50
8/7/91	BILL BRADY, CONSULTING	\$2.10
8/8/91	BILL BRADY, CONSULTING	\$2.70
8/15/91	BILL BRADY, CONSULTING	\$1.30
9/5/91	BILL BRADY, CONSULTING	\$1.70
9/14/91	BILL BRADY, CONSULTING	\$0.68
9/14/91	BILL BRADY, CONSULTING	\$2.44
9/17/91	BILL BRADY, CONSULTING	\$0.30
9/17/91	BILL BRADY, CONSULTING	\$5.11
9/18/91	BILL BRADY, CONSULTING	\$0.50
9/20/91	BILL BRADY, CONSULTING	\$3.64
9/22/91	BILL BRADY, CONSULTING	\$3.88
9/22/91	LEE SIMMONS, ENGINEERING	\$1.61
9/23/91	BILL BRADY, CONSULTING	\$0.68
9/23/91	BILL BRADY, CONSULTING	\$7.05
9/24/91	BILL BRADY, CONSULTING	\$0.70
9/30/91	BILL BRADY, CONSULTING	\$1.10
10/2/91	BILL BRADY, CONSULTING	\$0.60
10/6/91	BILL BRADY, CONSULTING	\$8.89
10/7/91	BILL BRADY, CONSULTING	\$1.30
10/8/91	BILL BRADY, CONSULTING	\$2.00
10/9/91	WASHINGTON D.C.	\$1.05
10/9/91	DICK SWIFT, ATTY	\$6.35
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1/2/92	BILL BRADY, CONSULTING	\$1.35
1/2/92	DICK SWIFT, ATTY	\$5.25
1/6/92	DICK SWIFT, ATTY	\$1.00
1/7/92	DICK SWIFT, ATTY	\$2.50
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